

The lack of affordable housing is a growing problem in Texas. As real estate prices escalate and rents climb higher, many low-income Texans struggle to maintain a home while thousands wait for scarce public housing. Meanwhile, the state agency charged with assisting in the state's housing needs is plagued by scandal and poorly-managed programs.

There is a tremendous unmet need for housing that lower-income and working class families can afford; and by all accounts, the affordable housing needs of the state are growing rapidly. In no Texas city can a minimum wage earner, working a full-time job, afford a modest apartment (based on HUD definitions).

A very large portion of the existing stock of lower-income housing is at risk of being lost through expiring low-income housing use restrictions, federal restructuring of project operations, and private market forces.

Audits of the Texas Department of Housing and Community Affairs conducted by the State Auditors Office and the federal Department of Housing and Urban Development has found mismanagement, questions about whether funds are distributed

- Over 650,000 households pay more than half their income for housing, or live in severely inadequate housing.
- Many of these people are elderly or disabled.
- A minimum wage worker must work 87 hours per week to pay for a modest two bedroom apartment.
- People who pay over half their income in rent are concentrated in all our major cities, and in the eastern, central, and southern parts of the state.

Texas Department of Housing and Community Affairs

Plagued with controversy, the state's housing agency has not effectively spent its state and federal funds to ensure adequate housing for the state's low-income working families.



fairly, and failure to develop a process to ensure that housing services are delivered to the areas of greatest need or priority. A TDHCA board member was recently convicted on federal bribery charges stemming from actions taken as a member.

Recommendations

Consumers Union has joined with other consumer and housing advocates in recommending reforms to TDHCA. Only by changing the management and mindset of the agency will the state be able to provide housing assistance that adequately meets the needs of our citizens.

- Restructure the TDHCA governing body as a seven-member Board composed of public members with demonstrated interests in housing and community support services issues.
- Establish a functional governing body that values public input and allows Board members to develop the expertise necessary to make informed decisions about and ensure accountability of the Department and its programs.
- Implement a statewide needs assessment and associated fund allocation process that:
 - ensures the State's most

pressing needs are identified and met,

- incorporates input from local entities,
- maximizes the objective of preserving the State's existing affordable housing stock,
- ensures the State receives the best value for its resources, and
- maximizes the State's objectives for its housing and community support services.

● Develop policies and procedures that clearly define the appropriate roles of the Board members and agency staff, including conflict of interest provisions and implementation of rules outlining a formal process to appeal Board decisions.

● Establish compliance procedures to actively ensure that the Department's programs actually provide fair access to low-income housing.

In Short

State auditors and HUD found mismanagement, questions about whether funds are distributed fairly, and failure to develop a process to ensure that housing services are delivered to the areas of greatest need or priority. TDHCA must develop a process to get resources to those who need it most.